



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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April 25, 2002

IN REPLY PLEASE
REFER TO FILE: **W-0**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**EXTEND LOAN BY LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40,
ANTELOPE VALLEY, TO LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 21,
KAGEL CANYON
SUPERVISORIAL DISTRICT NO. 5
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

As the governing body of the Los Angeles County Waterworks District No. 21, Kagel Canyon, and Waterworks District No. 40, Antelope Valley:

Approve extension of the current loan from the Los Angeles County Waterworks District No. 40, Antelope Valley, Accumulative Capital Outlay (ACO) Fund, to the Los Angeles County Waterworks District No. 21, Kagel Canyon, ACO Fund from the present 5-year term to a 10-year term.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 21, 1999, your Board authorized a loan from the ACO Fund of Los Angeles County Waterworks District No. 40, Antelope Valley, to the ACO Fund of Los Angeles County Waterworks District No. 21, Kagel Canyon, for \$167,000 to complete the repair of the West Tank Water Main project. Waterworks District No. 21 receives limited revenues from its small customer base and has been impacted by expenses due to unanticipated pipeline repairs. To avoid a fund deficit in Waterworks District No. 21, an extension of the term of the outstanding loan balance of \$87,000 to a 10-year term is required. This would reduce the annual loan payment from the current \$20,653.49 to \$10,226.29, beginning June 15, 2002.

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Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility by ensuring that appropriate authority is received to extend the term of the outstanding loan balance and thus avoid a fund deficit for Waterworks District No. 21.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

Funding for repayment of the loan will continue to be made from Waterworks District No. 21 ACO Fund, as approved by your Board.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not applicable.

ENVIRONMENTAL DOCUMENTATION

This action does not constitute a project and is, therefore, exempt from the requirements of the California Environmental Quality Act.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This will provide for sufficient funding to enable Waterworks District No. 21 to provide adequate water service to all of its customers.

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CONCLUSION

Please return one adopted copy of this letter to Public Works, Waterworks and Sewer Maintenance Division.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

JP:ag
BDL2110

cc: Chief Administrative Office
County Counsel